



**Sacramento  
Housing &  
Redevelopment  
Agency**

**REPORT TO COUNCIL AND  
HOUSING AUTHORITY  
City of Sacramento**

915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

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Consent  
June 23, 2009

Honorable Mayor and Members of the City Council  
Honorable Chair and Members of the Housing Authority Board

**Title: American Recovery Reinvestment Act (ARRA) Competitive Grant  
Application**

**Location/Council District: All**

**Recommendation:** Adopt 1) a **Housing Authority Resolution** a) authorizing the submission of an application for funds under the American Recovery Reinvestment Act (ARRA) Capital Funds Recovery Competition (CFRC) Grant program for Public Housing Agencies (PHA), b) amend the Housing Authority budget to allocate \$3,500,000 in Agency funds to be used as the required match for the application, c) authorizing the Executive Director or her designee to execute all agreements necessary to receive and expend ARRA Funds, if awarded; 2) a **City Council Resolution** authorizing the Sacramento Housing and Redevelopment Agency (Agency) to a) amend the Agency budget as follows: transfer \$3,200,000 in Multifamily Home Investment Partnership Program (HOME) funds and \$300,000 in Multifamily Community Development Block Grant (CDBG) revolving loan funds to the 626 I Street Project, b) execute all necessary agreements and contracts to carry out the recommended activities, c) defund the 626 I Street Project if the CFRC grant is not awarded and reallocate the funds to the HOME Multifamily Housing Loan Fund and the CDBG Multifamily Housing Loan fund, and d) approve related findings.

**Contact:** Nick Chhotu, Assistant Director of Public Housing, 440-1334  
Cecette Hawkins, Management Analyst, 440-1339 Ext. 1421

**Presenters:** Not Applicable

**Department:** Sacramento Housing and Redevelopment Agency

**Description/Analysis**

**Issue:** On February 17, 2009, the President signed the American Recovery and Reinvestment Act of 2009 (ARRA). This legislation includes a \$4 billion appropriation of Capital Fund for Public Housing Agencies (PHAs) to carry out



## ARRA Competitive Grant Application

capital and management activities, as authorized under Section 9 of the United States Housing Act of 1937. One billion will be awarded to PHAs through the Capital Funds Recovery Competition (CFRC) Grants process. Funds will be competitively awarded for housing renovation, energy conservation retrofit and priority investments, including investments that leverage at minimum 25% non-public housing funds. CFRC funds shall be obligated for approved projects by September 30, 2009. The City of Sacramento Housing Authority intends to apply for the maximum grant amount of \$10 million for the substantial rehabilitation of Riverview Apartments located at 626 I Street, Sacramento, CA. Riverview Apartments is a 12-story mixed use building with three floors of office space, and nine floors of 108 elderly residential units. The residential units are currently vacant and in need of substantial rehabilitation. Annual appropriations of public housing capital funds are not sufficient to address the required rehabilitation. A Capital Needs Assessment (CNA) completed in May 2009 indicated that \$15,000,000 is needed to bring the property up to code. Staff is proposing to allocate a combined \$3.5 million in CDBG and HOME funds to be used as the required 25 percent minimum match for the competitive grant funds for this project.

**Policy Considerations:** Public housing authorities are required to comply with applicable federal laws and regulations, including the Quality Housing and Work Responsibility Act of 1998 (QHWRA). Additionally, this action furthers the commitment of the City through the 2008-2013 Housing Element to preserve and rehabilitate existing affordable housing and to provide housing for extremely low income households. Supporting Policies H-3.1.1 on extremely low income needs and H-4.4 on preservation of affordable housing, Program 74 confirms the City's commitment to the Housing Authority Asset Repositioning Strategy.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The proposed action is exempt from environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15301(a) and (d).

**National Environmental Policy Act (NEPA):** The proposed action is categorically excluded from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.35(a) (3)(ii), which excludes rehabilitation of multifamily residential buildings.

**Sustainability Considerations:** The recommended actions would position the Housing Authority to achieve the goal within the City's Sustainability Master Plan to replace or renovate obsolete energy or resource inefficient infrastructure (buildings, facilities, systems, etc).

**Committee/Commission Action:** Staff anticipates that, at its meeting on June 17, 2009, the Sacramento Housing and Redevelopment Commission will approve this item. In the event that they do not, staff will notify the Council on June 23, 2009.

ARRA Competitive Grant Application

**Rationale for Recommendation:** The American Recovery and Reinvestment Act of 2009 award would provide funding to substantially modernize Riverview Apartment units, provide housing opportunities for very low income households, and provide increased employment opportunities for construction workers and contractors.

**Financial Considerations:** This report recommends that the Housing Authority accept the allocation of \$3,500,000 from the HOME and CDBG for the Riverview Apartments project. These funds will leverage \$10 million of Capital Funds Recovery Competition (CFRC) Grants.

This report also recommends allocating HOME and CDBG budgets Plan as follows:

- \$3,200,000 of HOME funds to the 2009 626 I Street Modernization project
- \$300,000 of CDBG funds to the 2009 626 I Street Modernization project

**M/WBE Considerations:** Minority and Women's Business enterprise requirements will be applied to all activities to the extent required by federal funding.

Respectfully Submitted by:

  
LASHELLE DOZIER  
Executive Director

Recommendation Approved:

  
for RAY KERRIDGE  
City Manager

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**RESOLUTION NO. 2009 -**  
**Adopted by the Sacramento City Council**

on date of

**APPROVAL AND IMPLEMENTATION OF THE AMERICAN RECOVERY AND REINVESTMENT ACT CAPITAL FUNDS RECOVERY COMPETITION GRANT APPLICATION; AMENDMENT OF THE 2009 AGENCY BUDGET**

**BACKGROUND**

- A. On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009 (Recovery Act), and
- B. This legislation includes a \$4 billion appropriation of Capital Fund for Public Housing Authorities (PHAs) to carry out capital and management activities, as authorized under Section 9 of the United States Housing Act of 1937. One billion will be awarded to PHAs through the Capital Funds Recovery Competition (CFRC) Grants process, and
- C. Staff desires to submit an application for \$10 million in CFRC funding to be used to renovate the Riverview Apartments, located at 626 I Street, and
- D. Staff proposes an allocation of \$3.5 million in Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) funds to meet the 25 percent match requirement for the CFRC Funding.
- E. The proposed action is exempt from environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15301(a) and (d). The proposed action is categorically excluded from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.35(a) (3)(ii), which excludes rehabilitation of multifamily residential buildings.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. After due consideration of the facts presented, the findings, including the environmental findings regarding this action stated above, are approved.
- Section 2. The Sacramento Housing and Redevelopment Agency (Agency) is authorized to amend the Agency budget as follows:
  - Transfer \$3,200,000 of HOME Multifamily Housing Loan funds to the 2009 626 I Street Modernization project

- Transfer \$300,000 of CDBG Multifamily Housing Loan funds to the 2009 626 I Street Modernization project

Section 3. The Agency is authorized to execute all necessary agreements and contracts to carry out the recommended activities described in this report, each in a form approved by Agency counsel.

Section 4. The Agency is authorized to defund the 626 I Street Project if the CFRC grant is not awarded and reallocate the funds back to the Agency budget for HOME Multifamily Housing Loan Funds and CDBG Multifamily Housing Loan funds.

## **RESOLUTION NO. 2009 -**

**Adopted by the Housing Authority of the City of Sacramento**

on date of

### **AUTHORIZATION FOR SACRAMENTO CITY HOUSING AUTHORITY TO APPLY, AMEND, AND ADMINISTER THE CAPITAL FUNDS RECOVERY COMPETITION FUNDS FROM THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009**

#### **BACKGROUND**

- A. The Public Housing Agency desires to apply for and receive an allocation of Capital Fund Recovery Competition (CFRC) funds through the American Recovery and Reinvestment Act of 2009 (ARRA).
- B. The US Department of Housing and Urban Development - Office of Capital Improvements Recovery (OCI) recently announced the Capital Fund Recovery Competition - Notice of Fund Available (NOFA) of the American Recovery and Reinvestment Act of 2009, which provides additional Capital Funds to Public Housing Authorities participating in the public housing program throughout the nation.
- C. Staff plans to submit an application for \$10 million in CFRC funding to be used to renovate the Riverview Apartments, located at 626 I Street.
- D. The proposed action is exempt from environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15301(a) and (d). The proposed action is categorically excluded from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.35(a) (3)(ii), which excludes rehabilitation of multifamily residential buildings.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:**

- Section 1. All the evidence having been duly considered, the findings stated above, including the environmental findings, are approved.
- Section 2. The Executive Director, or her designee, is authorized and directed to submit an application for funds under the American Recovery Reinvestment Act Capital Funds Recovery Competition (CFRC) Grant program for Public Housing Agencies.

Section 3. The Executive Director, or her designee, is authorized to amend the Housing Authority budget to accept grant funds and Agency funding of \$3,500,000 to be used as the required match for the application in the event the CFRC Grant is awarded.

Section 4. The Executive Director, or her designee, is authorized to execute all necessary agreements and contracts to carry out the recommended activities described in this report, each in a form approved by Agency Counsel.